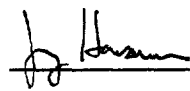


III. Conclusion

16. The estimated benefits to consumers from BOC entry into long distance total about \$7 billion per year. Considered another way, once the BOCs have satisfied the provisions of Sections 271 and 272 of the Telecommunications Act of 1996, further delay of BOC entry into long distance is equivalent to a tax on residential long distance customers of approximately \$7 billion year or over \$60 per household per year. This tax is significant for many households, since my previous academic research has demonstrated that poor households make a significant amount of long distance calls (e.g. American Economic Review, 1993). Increased consumer welfare or increased economic efficiency are the appropriate public interest standard from an economic perspective. While the DOJ may be seeking its notion of "regulatory perfection", this standard does not exist in the Telecommunications Act of 1996. Furthermore, the DOJ is recommending to the Commission to levy a tax on consumers of \$7 billion per year. The Commission should carefully consider whether it wants to continue this tax on residential consumers, especially since increased competition which is called for by the Telecommunications Act of 1996 would remove the tax from residential consumers.

 3/8/97
Jerry Hausman

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CERTIFICATE OF SERVICE

I, Geoffrey M. Klineberg, hereby certify that on this seventh day of July, 1997, a true and correct copy of the foregoing Reply Comments of BellSouth Corporation in Support of Ameritech Michigan's Application for Provision of In-Region, InterLATA Services was served by hand or by first-class, United States mail, postage prepaid, upon each of the following:

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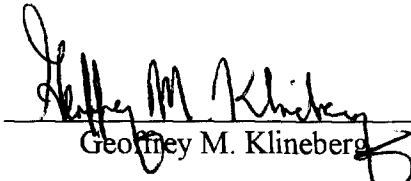
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